

2013 SAG-AFTRA COMMERCIALS CONTRACT
MEMORANDUM OF AGREEMENT

Memorandum of Agreement (“MOA”) made by and between SAG-AFTRA (herein called the “Union”) and the ANA-4A’s Joint Policy Committee on Broadcast Talent Union Relations (herein called the “JPC”) on this ____ day of _____, 2013. This MOA sets forth the agreed upon revisions to the Commercials Contract based upon the draft 2009 SAG Commercials Contract exchanged by the JPC and the Union on December 20, 2012 and marked “JPC Revision 3/9/11” on page 1 (the “2009 SAG Contract”). Except as otherwise set forth herein and in that certain drafting agreement made by and between the Union and the JPC (the “Drafting Document”), the terms and conditions set forth in the 2009 SAG Contract remains unchanged.

1. AFTRA Television Commercials Contract. The Union and the JPC agree that the AFTRA Television Commercials Contract shall be superseded by the 2013 SAG-AFTRA Commercials Contract. Except as otherwise set forth in Section 3.A. below with respect to versions, terms and conditions of prior AFTRA Television Commercials Contracts shall continue to apply to commercials previously produced under such AFTRA agreements.

2. Amend Section 2, Effective Date and Term as follows:

This Contract shall be for a three (3) year term commencing April 1, 2013 and continuing to and including March 31, 2016, and shall continue in effect thereafter until terminated by either party by 60 days’ notice in writing to the other. Except as otherwise specifically provided, the terms and provisions hereof shall apply to all commercials produced on or after April 1, 2013.

3. Amend subsection A. of Section 3, Existing Contracts as follows:

Except as otherwise expressly provided herein, the terms and provisions of this Contract shall apply to all commercials produced on or after April 1, 2009~~13~~, and to all new or additional versions of commercials produced under all prior collective bargaining agreements **(including, without limitation, all prior AFTRA Television Commercials Contracts)** for commercials which are integrated on or after April 1, 2009~~13~~ **under Section 25, Integrating of Commercials Into Different Commercials, and to all versions that are edited after such date** other than as expressly permitted under Section 26, Editing of Commercials.

4. Amend ¶ 3 of subsection D. of Section 14, Policy of Nondiscrimination and Affirmative Action/Diversity as follows:

Where the stunt performer doubles for a role which is identifiable as a female and/or Black/**African American**, Latino/Hispanic, Asian/Pacific **Islander, South Asian**, Native American **Indian**, or **Arab**/Middle Eastern and the race and/or sex of the double are also identifiable, Producer shall make every effort to cast

qualified persons of the same sex and/or race involved. Producer reaffirms that this Section 14 prohibits the practice commonly referred to as “painting down.”

5. Amend subsection I. of Section 16, Exclusivity as follows:

Producer and principal performer agree that exclusivity is one of the fundamental aspects of this Contract and is one of the foundations for use fees. Therefore, any breach of exclusivity by a principal performer must be considered a serious breach of his/her agreement with Producer and may lead to substantial damages being assessed against principal performer. **An arbitrator may consider, among other possible remedies, loss of holding fees and residuals that would otherwise be due to the performer for the balance of the maximum period of use.** The Union agrees that it shall be a policy of the Union to make members aware of their professional responsibility to live up to exclusivity agreements and to encourage adherence thereto.

6. Amend Section 18, Public Service Announcements/Government Agency Messages as follows:

The Union, cognizant of the importance of public service announcements and government agency messages to the welfare of our Country, will follow a liberal policy in granting waivers of additional compensation for the use of messages produced and used under the auspices and/or on behalf of the various Federal, State and local governmental agencies, non-profit public service organizations, **501(c)(3) charities, and museums. The Federal, State or local governmental agencies, non-profit public service organizations, 501(c)(3) charities, or museums that are the subject of the public service announcement or government agency message shall be permitted to display advertiser logos/IDs on their website (including on the landing page). Producer shall obtain the principal performers' consent to the presence of advertiser logos/IDs on the landing page at the time of engagement. Producer may include such agreement in the Special Provisions section of the applicable employment contract.**

The foregoing statement of policy does not apply to the minimum fees due principal performers under Section 20, Minimum Compensation; **provided, however that Producer may, with consent of the Union, request a waiver for session fees from celebrities.**

The Union waives the application of this Contract to persons regularly employed by and volunteers regularly serving a sponsoring organization, as well as members and beneficiaries of such organization. As used herein, the term “beneficiary” shall apply only to non-profit public service organizations and **501(c)(3) charities**, and shall mean a person for whose benefit the organization is authorized to receive and disburse funds and/or benefits in accordance with such organization’s stated purpose.

In seeking a waiver under this Section, Producer shall obtain the consent of the Union before seeking the consent of the principal performer. Provided that a principal performer consents in writing to the waiver of additional compensation beyond the minimum fees due under Section 20, Minimum Compensation, the Union will grant the right to unlimited use, including all media covered by this Contract, of the message for one year beginning not later than 15 working days after the first delivery of the public service announcement to television stations of 13 weeks after commencement of the maximum use period, whichever first occurs. **All media time must be donated. Should the public service announcement or government agency message be utilized on purchased time, the waiver of additional compensation for the use of such messages will be revoked and full use and reuse fees must be paid to the performer(s) in accordance with the applicable provisions of the Contract beginning with the first use on purchased media time, subject to Section 30, Maximum Period of Use of Commercials.**

Provided a waiver for an initial one year period has been obtained pursuant to the foregoing paragraph, and provided the performer's prior written consent has been obtained and filed with the Union, the Union shall grant a waiver for additional one year periods without additional compensation to the performer. Notwithstanding the foregoing, any individual performer shall have the right to negotiate for compensation for such extended use.

The Ad Council public service announcements may contain solicitations for donations. Other non-profit organizations who are not members of the Ad Council may apply for a similar waiver by utilizing the "PSA Waiver Template" attached as Exhibit K.

7. Amend the categories and rates set forth subsection A.1. of Section 20, Minimum Compensation as follows:

All principal performers, except Group Performers (Solos and Duos are included as principal performers)	<u>\$XXX.XX</u>
Group Singers/Dancers/Speakers 3 to 5	<u>\$XXX.XX</u>
Group Singers/Dancers/Speakers 6 to 8	<u>\$XXX.XX</u>
<u>Group Dancers 6 or more</u>	<u>\$XXX.XX</u>
Group Singers/Dancers/Speakers 9 or more	<u>\$XXX.XX</u>

8. Amend ¶1 of subsection A. (Shorter/Longer Versions) of Section 26, Editing of Commercials as set forth below:

Producer may edit a commercial to make a single additional version of the same commercial, either shorter or longer. **Producer may also edit a commercial to produce a second additional version of the same commercial, either shorter or longer, upon payment of a session fee to each principal performer appearing in the second additional version. Producer** and may record a sound track to fit such additional version(s), provided that the sound track for such

version must be the same except for such changes as are required for timing and synchronization.

9. Amend subsection I. (Factual Information) of Section 26, Editing of Commercials as set forth below:

Commercials advertising products and/or services that require different and specific factual information with respect to destinations; local points and times of departure; frequency of service; telephone numbers; **URLs, QR codes or similar Internet, mobile and digital media identifiers**; rates; pricing; geographic availability and dates (but only when a date is with reference to any of the items of factual information permitted above), may be changed to reflect this information without such changed commercials being deemed new commercials for use purposes. Such changes may be effected by inserting new on-camera and/or off-camera elements which set forth only such different facts. Such new elements shall be in the nature of “tags” as that term is commonly used in the Industry, except that in these cases they may be inserted in the body of the commercial; provided, however, that the commercial shall in all other respects remain the same. ~~Principal performers employed to make such changes shall be paid separately the applicable on or off-camera session fee for each version made.~~

For changes involving **the factual changes described in this subsection I.** ~~different toll-free telephone numbers (e.g., 1-800 numbers),~~ performers making such changes shall be paid separately the applicable on or off-camera rates as provided in Section 26.E.

10. Amend subsection D. of Section 30, Maximum Period of Use of Commercials as follows:

The period of time during which a commercial may be used, specified in subsection A. hereof, shall be deemed to be automatically renewed for an equivalent period of time unless any principal performer employed in such commercial shall, not more than 120 days and not less than 60 days prior to the expiration of such period of time, give written notice by mail to the Broadcast Business Affairs Department of the advertising agency named in his/her employment contract or in the Production Report filed by Producer with the Union at the address shown in such contract or report of such principal performer’s election not to grant such right of renewed use. If no advertising agency is named, the notice may be given to the advertiser named in the employment contract or in the Production Report. **Copies of the notice shall be sent to the Union electronically to an address designated by the Union. However, whether or not the notice was sent to the Union shall not be deemed conclusive evidence of whether the notice was sent in compliance with this Contract. Upon request, the Union will provide a copy of the notice to Producer, talent agent or performer.**

11. Amend subsection B.3. of Section 34, Program Commercials as follows [RATES WILL INCREASE IN ACCORDANCE WITH OVERALL WAGE INCREASE]:

3. ION TV/BounceTV/MeTV

(a) Producer shall pay principal performers, except for group performers, for the use of commercials on ION TV, BounceTV or MeTV as follows:

On-camera	\$XXX per use
Off-camera	\$XXX per use

(b) Producer shall pay group performers for each use of a commercial on ION TV, BounceTV or MeTV as follows:

On-Camera Group 3-5	\$XXX	Off-Camera Group 3-5	\$XXX
On-Camera Group 6-8	\$XXX	Off-Camera Group 6-8	\$XXX
On-Camera Group 9+	\$XXX	Off-Camera Group 9+	\$XXX

(c) Neither session fees nor holding fees may be credited against the use payments provided above.

(d) No discounted rate for commercials of 15 seconds or less.

(e) All commercials broadcast on ION TV, BounceTV or MeTV shall be tracked and paid in 13-week cycles separate from other Program use. Payments for all uses that occur within a single week ending on Sunday shall be paid not later than 15 working days after the end of such week.

(f) In the event that the Union either grants or denies a waiver request from a network to receive the rates in Section 34.B.3, the Union will contemporaneously send a copy of the grant or denial to the JPC, c/o Reed Smith, LLP, Attn: Douglas J. Wood, 599 Lexington Avenue, New York, NY 10022.

12. Add new subsection C. to Section 34, Program Commercials and insert the so called **"Late Night Waiver". The Late Night Waiver shall increase by the same percentage as any agreed upon wage increase in future negotiations.**
13. Amend subsection C. of Section 35, Cable to provide for a maximum of 3,000 units. Units 2,001-2,500 paid at the rate of \$.67 and units 2,501-3,000 paid at the rate of \$.15. [UNIT RATES TO INCREASE IN ACCORDANCE WITH OVERALL WAGE INCREASE.]
14. Add new subsection D. Local Cable to Section 35, Cable and insert the so-called "Local Cable Agreement". **The Local Cable Agreement shall increase by the same percentage as any agreed upon wage increase in future negotiations.** Renumber the remaining subsections of Section 35.
15. Amend ¶ 1 of sub¶ 3 of subsection A. ("Move Overs") of Section 36, Internet as follows:

Provided the right to television and/or New Media use of the commercial has not terminated, Producer may initiate Internet use of the commercial for ~~an initial~~

~~cycle of either an 8-week cycles of use or a one-year cycles of use, in any combination, or until termination of the maximum period of use, if earlier.~~

16. Amend sub¶ 3 of subsection A. (“Move Overs”) of Section 36, Internet as follows:

Upon conclusion of either the 8-week cycle of use or the one-year cycle of initial Internet use, Producer may use the commercial for additional consecutive 8-week cycles or one-year cycle of use, for the remainder, if any of the maximum period of use for the same rates set forth in Section 36.A.4. Producer shall have the right to Internet use during these additional cycles whether or not holding fees have been paid for television or New Media use. **Notwithstanding the foregoing, Producer may use the commercial for additional nonconsecutive 8-week or 1-year cycles of use, for the remainder, if any, of the maximum period of use, provided and for so long as the Producer is paying holding fees as per Section 31 to all principal performers in the commercials.**

17. Amend sub¶ 4 of subsection A. (“Move Overs”) of Section 36, Internet as follows:

- (a) 8-Week Cycle of Use – not less than ~~133%~~ **150%** of the applicable session fee
- (b) One-Year Cycle of Use – not less than ~~350%~~ **400%** of the applicable session fee

18. Amend sub¶ 1 of subsection B. (“Made Fors”) of Section 36, Internet as follows:

- a. ~~Effective April 1, 2011, -~~ **Performers shall be compensated at not less than the minimum rates for session set forth in Section 20 and not less than the minimum use rates set forth below.** Session fee may be credited for Internet use if such use occurs within the initial use cycle.

- (a) 8-Week Cycle of Use – not less than ~~133%~~ of the applicable session fee
- (b) One-Year Cycle of Use – not less than 350% of the applicable session fee

19. Add a new sub¶ 7 to subsection B. (“Made Fors”) of Section 36, Internet as follows:

7. User-Generated/Crowdsourced Commercial Contests

- a. **Producer may solicit, accept and display via the Internet user-generated/crowdsourced commercials as entries to a contest to select a winning commercial.**
- b. **Such contest entries may be exhibited via the Internet during the contest period without triggering any application of this**

Contract including, without limitation, Ad Lib or Creative Session Call fees (Schedule A.I.I.2.) for the entry.

c. The contest winner(s), if exhibited after the expiration of the contest period, shall trigger the application of this Contract including, without limitation, Ad Lib or Creative Session Call fees, if appropriate.

d. The contest entries may not be exhibited on any platform after the expiration of the contest period without coverage and payment under this Contract, including potential application of the Ad Lib and Creative Session Call requirements.

20. Add a new sub¶ 8 to subsection B. ("Made Fors") of Section 36, Internet as follows:

8. The maximum period of use for commercials produced under this Section 36.B. shall be 21 months commencing with the date of first service.

21. Amend ¶ 1 of sub¶ 3 of subsection A. ("Move Overs") of Section 37, New Media as follows:

Provided the right to television and/or Internet use of the commercial has not terminated, Producer may initiate New Media use of the commercial for ~~an initial cycle of either an 8-week cycles~~ of use or ~~a one-year cycles~~ of use, in any combination, ~~or until termination of the maximum period of use, if earlier.~~

22. Amend sub¶ 3 of subsection A. ("Move Overs") of Section 37, New Media as follows:

Upon conclusion of either the 8-week cycle of use or the one-year cycle of initial Internet use, Producer may use the commercial for additional consecutive 8-week cycles or one-year cycle of use, for the remainder, if any of the maximum period of use for the same rates set forth in Section 37.A.4. Producer shall have the right to Internet use during these additional cycles whether or not holding fees have been paid for television or Internet use. Notwithstanding the foregoing, Producer may use the commercial for additional nonconsecutive 8-week or 1-year cycles of use, for the remainder, if any, of the maximum period of use, provided and for so long as the Producer is paying holding fees as per Section 31 to all principal performers in the commercials.

23. Amend sub¶ 4 of subsection A. ("Move Overs") of Section 37, New Media as follows:

- (a) 8-Week Cycle of Use – not less than ~~133%~~ 150% of the applicable session fee
- (b) One-Year Cycle of Use – not less than ~~350%~~ 400% of the applicable session fee

24. Amend sub¶ 1 of subsection B. ("Made Fors") of Section 37, New Media as follows:

b. ~~Effective April 1, 2011,~~ **Performers shall be compensated at not less than the minimum rates for session set forth Section 20 and not less than the minimum use rates set forth below.** Session fee may be credited for New Media use if such use occurs within the initial use cycle.

- (a) 8-Week Cycle of Use – not less than 133%—of the applicable session fee
- (b) One-Year Cycle of Use – not less than 350% of the applicable session fee

25. Add a new sub[¶] 7 to subsection B. (“Made Fors”) of Section 37, New Media as follows:

7. User-Generated/Crowdsourced Commercial Contests

- a. **Producer may solicit, accept and display via New Media user-generated/crowdsourced commercials as entries to a contest to select a winning commercial.**
- b. **Such contest entries may be exhibited via New Media during the contest period without triggering any application of this Contract including, without limitation, Ad Lib or Creative Session Call fees (Schedule A.I.I.2.) for the entry.**
- c. **The contest winner(s), if exhibited after the expiration of the contest period, shall trigger the application of this Contract including, without limitation, Ad Lib or Creative Session Call fees, if appropriate.**
- d. **The contest entries may not be exhibited on any platform after the expiration of the contest period without coverage and payment under this Contract, including potential application of the Ad Lib and Creative Session Call requirements.**

26. Add a new sub[¶] 8 to subsection B. (“Made Fors”) of Section 37, New Media as follows:

8. The maximum period of use for commercials produced under this Section 36.B. shall be 21 months commencing with the date of first service.

27. Add a new sub[¶] 4 of subsection A. of Section 38, Dealer Commercials to provide for 8-week cycles at 50% of the 6 month rate as follows: [RATES WILL INCREASE IN ACCORDANCE WITH THE OVERALL WAGE INCREASE]

4. The following rates shall be paid for the use of TYPE A Dealer Commercials for 8-week periods:

- (a) All Principal Performers (except Group Performers)**

	<u>On-Camera</u>	<u>Off-Camera</u>
<u>Including use in New York City</u>	<u>SXXX</u>	<u>SXXX</u>
<u>Not including use in N.Y.C.</u>	<u>SXXX</u>	<u>SXXX</u>

(b) Group Performers

	<u>On-Camera</u>	<u>Off-Camera</u>
<u>3 to 5</u>	<u>SXXX</u>	<u>SXXX</u>
<u>6 to 8</u>	<u>SXXX</u>	<u>SXXX</u>
<u>9+</u>	<u>SXXX</u>	<u>SXXX</u>

28. Add a new sub[¶] 5 of subsection B. of Section 38, Dealer Commercials to provide for 8-week cycles at 50% of the 6 month rate as follows: [RATES WILL INCREASE IN ACCORDANCE WITH THE OVERALL WAGE INCREASE]

4. The following rates shall be paid for the use of TYPE B Dealer Commercials for 8-week periods:

(a) All Principal Performers (except Group Performers)

	<u>On-Camera</u>	<u>Off-Camera</u>
<u>Including use in New York City</u>	<u>SXXX</u>	<u>SXXX</u>
<u>Not including use in N.Y.C.</u>	<u>SXXX</u>	<u>SXXX</u>

(b) Group Performers

	<u>On-Camera</u>	<u>Off-Camera</u>
<u>3 to 5</u>	<u>SXXX</u>	<u>SXXX</u>
<u>6 to 8</u>	<u>SXXX</u>	<u>SXXX</u>
<u>9+</u>	<u>SXXX</u>	<u>SXXX</u>

29. Amend the last paragraph of subsection A., of Section 42, Foreign Use of Commercials as follows:

The applicable amounts payable for such foreign use shall be due and payable upon the first use of a commercial in each of the aforementioned areas. Such payment shall cover all such uses within a single Maximum Period of Use as defined in Section 30, Maximum Period of Use of Commercials. Separate additional fees shall be payable for each renewed Maximum Period of Use. A

commercial that has not been altered except for changes to permit different foreign languages may be televised within a single foreign use territory and shall be deemed one commercial for the purpose of use payments.

30. Amend sub~~¶~~ 3 of subsection A. of Section 42, Foreign Use of Commercials as follows:

3. For use in the Asian-Pacific zone (Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Taiwan, Thailand), an amount not less than ~~an additional~~ **double the** session fee;

31. Amend Section 44, Payment to add the following new subsections and renumber the remaining subsections:

G. Cable

The applicable payment for each cycle of use shall be made not later than fifteen (15) working days after the date of first use in such cycle, except that adjustments for unit compensation not ascertainable at the time of first use, shall be paid in full not later than fifteen (15) working days after the completion of such cycle.

H. Internet

Payment for Internet use shall be made not later than fifteen (15) working days after the date of first use in such cycle.

I. New Media

Payment for New Media use shall be made not later than fifteen (15) working days after the date of first use in such cycle.

32. Amend ~~¶~~ 1 of subsection A. of Section 46, Liquidated Damages for Late Payment as follows:

- a. In the event Producer fails to make timely payment, as herein provided, the following cumulative liquidated damages payments shall be due and payable to the principal performer for each day beginning with the day following the date of default: ~~\$3.00~~ **\$3.60** per day up to 25 days (excluding Saturdays, Sundays and holidays which Producer observes) up to a maximum of ~~\$75.00~~ **\$90.00**. Thereafter, the liquidated damages payment shall cease unless either the Union or the principal performer gives written notice to Producer of nonpayment. In the event such notice is given and full payment, including accrued liquidated damages, is not made within 12 working days thereafter, ~~the~~ Producer shall be liable for an immediate additional liquidated damages payment of ~~\$75.00~~ **\$90.00** plus further liquidated damage payments at the rate of \$10.00 per day from the date of the receipt of notice of nonpayment, which shall continue without limitation as to time until the delinquent payment together with all liquidated damages are fully paid. Such liquidated damages shall be in addition to

any and all other remedies which the Union may have against Producer under this Contract.

33. Add new subsection E. to Section 46, Liquidated Damages for Late Payment as follows:

E. The liquidated damage payments set forth in subsection A. shall increase by the same percentage as any agreed-upon wage increase applicable to Section 20, Minimum Compensation in future negotiations.

34. Amend ¶ 1 of subsection A. of Section 47, Contributions to Pension and Health Plans as follows:

Producer and advertising agencies signatory to Letters of Adherence, shall become parties to the "Screen Actors Guild-Producers Pension Plan for Motion Picture Actors" and Screen Actors Guild-Producers Health Plan for Motion Picture Actors" and to the "Industry Advancement and Cooperative Fund" ("IACF"), **and to any successor of any of those entities.** Producers shall contribute an amount equal to ~~45.5~~**16.8**% of all gross compensation (**as herein defined**) paid to principal performers (**including deceased performers**) ~~as herein defined~~ with respect to commercials produced on or after April 1, 2013. Such contribution shall be allocated as follows: .50% to the IACF, ~~45~~**16.05**% to the Pension and Health Plans **and .25% to the Administrative Maintenance Fund (defined below).** Of such ~~45~~**16.05**%, XX% will be allocated to the Pension Plan and XX% to the Health Plan. The allocation of the ~~45~~**16.05**% between the Health Plan and the Pension Plan may be changed at any time during the term hereof by **those who have been appointed to** the Boards of Trustees of said Plans, **acting as agents for the signatories of this Agreement and not as fiduciaries of the Plans** based on actuarial studies.

35. Add a new subsection K. to Section 47, Contributions to Pension and Health Plans as follows:

K. The Administrative Maintenance Fund ("AMF") shall be utilized solely for the JPC costs (including, but not limited to Contract administration, legal fees, consultant fees, staff costs, and labor relations), and disputes and grievances between the JPC and the Union. Producers agree monies in the AMF will not be used to support non-union productions, discourage or undermine membership in the Union, or fund any actions or activities, other than those taken in connection with the administration or negotiation of the Contract, that are adverse to the interests of the Plans, the Union or the Union's members including, but not limited to, litigation, administrative proceedings, lockouts or strikes, and legislative activities.

The AMF contributions shall be submitted to the Screen Actors Guild-Producers Pension Plan for Motion Picture Actors and Screen

Actors Guild-Producers Health Plan for Motion Picture Actors (collectively, the "Plans") together with all other benefits as delineated in the Contract. The AMF shall pay to the Plans all costs incurred by the Plans in connection with the administration, receipt and distribution of the AMF contributions, provided that the Plans have agreed in writing to receive and distribute the AMF contributions as set forth herein. The Plans shall distribute the AMF contributions to the JPC in accordance with the written agreement between the ANA and the Plans c/o the Association of National Advertisers ("ANA") at 708 Third Avenue, New York, New York 10017 Attn: Chief Financial Officer ("CFO").

All AMF contributions shall be held in a segregated account by the ANA and administered as determined by the ANA subject to and in accordance with the requirements set forth hereunder. The ANA CFO shall also be the AMF Administrator. In the event any Producer is delinquent in submitting the required contribution to AMF, the AMF Administrator shall have the authority to recover any contributions, along with any attorney fees, court costs, and interest at one percent (1%) per month from the delinquent Producer. The enforcement for the delinquent contributions to the AMF shall be the sole responsibility of the AMF, not the Union. The JPC, at its sole expense, shall retain a reputable independent auditor and provide to the Union a copy of the annual audit detailing the AMF receipts and expenditures including, but not limited to, all contributions to and expenses of the AMF. The independent auditor shall additionally provide its professional opinion to the Union as to whether the AMF's expenditures are consistent with the limitations as set forth in this subsection. The JPC agrees to defend, indemnify and hold harmless the Union and the Plans from any and all claims, actions and/or proceedings arising out of or in connection with any aspect of the creation, administration or maintenance of the AMF including, but not limited to, any claims pertaining to the obligation of Producers to contribute to the AMF or the use of AMF contributions.

36. Amend the first paragraph of sub[1 of subsection A. of Section 51, Required Records and Reports as follows:

All payments of compensation for the services of principal performers hereunder and for the use of commercials shall be made by check to the principal performer entitled thereto, as provided in this Contract. A check voucher or statement in the standard form attached hereto as EXHIBIT C shall accompany each check and shall contain complete information identifying commercials, Ad-ID[®] advertiser, dates numbers of sessions, as well as unemployment insurance information, including employer of record, employer's address, state in which unemployment insurance is filed and state identification number. Producer shall place original

commercial identification on first payment for each new commercial or permitted edited version which contains forage from the "original" commercial.

37. Amend sub¶ 2 of subsection A. of Section 51, Required Records and Reports as follows:

Producer shall furnish to the Plans office a Production Report, in the form attached hereto and marked EXHIBIT B, within 12 working days after the completion of the principal performer's services in the commercial. If any of the performers listed on such Production report is employed by an advertising agency and not by Producer, that fact shall be noted on the Production Report and in such event the agency shall forthwith furnish to the Union copies of the individual employment contracts of such performers. Upon delivery of the commercial or commercials, but in any event not later than 30 days after the completion of the performer's service therein, Producer shall give to the Union a copy of the Production Report containing the following additional information:

- (a) The **Ad-ID[®] and** production number or any other appropriate identification of the commercial or commercials delivered;
- (b) The number of commercials delivered and the date of delivery;
- (c) The number of version of each commercial delivered.

Producer shall also furnish the same information to the Union in electronic form, based on the file layout attached hereto and marked EXHIBIT B2. This information shall also be furnished within 12 working days after the completion of the performer's services in the commercial.

The requirement to utilize Ad-ID[®] and electronic reporting shall be effective immediately but implementation shall occur no later than March 31, 2014. The Union shall be responsible for the enforcement of the foregoing requirements and may excuse a Producer from the requirements only for legitimate business reasons. Should all or any portion of such requirements be excused, the Union will provide the name and address of the non-compliant entity to the JPC.

38. Amend sub¶ 3 of subsection B. of Section 51, Required Records and Reports as follows:

A report for each commercial produced hereunder, in the form of EXHIBIT B, shall be furnished to the Pension and Health Plans Office of the Screen Actors Guild-Producers Pension, **and to the Union in the form of an electronic file as specified by EXHIBIT B2** by each **Producer**, purchaser, assignee or transferee, within 15 working days after the commencement of the second fixed cycle and at 13-week intervals thereafter, as long as such commercial is used. In the event any **Producer**, purchaser, assignee or transferee of a commercial produced hereunder shall willfully and intentionally fail or refuse to keep such records or shall willfully and intentionally fail or refuse to make any payments due any performer, or shall be guilty of repeated and intentional breaches of any of its obligations

hereunder, the Union, at its option, and in addition to all other remedies which it or any performer may have at law or equity, may after notice to such party, giving a reasonable time to cure such default, order its members thereafter to refuse to perform services for any producer in commercials which are to be made for such **Producer**, purchaser, assignee or transferee. **Whenever credit is taken for any prior overpayment, Producer shall report the pertinent data regarding such credit to the Union and to the Pension & Health Plans office within 15 working days after the credit is taken. Such report shall include the detailed information required for reports of compensation payments to performers.**

39. Delete the last paragraph of subsection E. of Section 58, Arbitration: This subsection E. shall sunset at the end of the term of this Contract and shall be deemed not to be a part of this agreement for purposes of future contract negotiations unless otherwise mutually agreed by the parties.

40. Amend subsection H. of Section 58, Arbitration as follows:

It is the policy of the Union not to process unduly late claims. **Claims regarding audition, travel or production-related session claims (e.g., overtime, wet pay, smoke pay, meal periods, etc.) shall be submitted to Producer no later than 6 months from the date of such audition, travel or session, or, if the claim is related to payment, 6 months from the date the payment is made. It shall be the understanding of the parties that the term "production-related session claims" is meant to identify those session-related claims where the contract violation can be ascertained at the time of session or at the time that the session payment is received.**

41. Amend Section 65, Alternate Method of Compensation as follows:

The parties agree to explore alternate methods of compensation for principal performers appearing in commercials; the parties agree to meet for this purpose in sufficient time before March 2012, in order that meaningful exploration of alternate compensation and agreement, if any, on this subject can be negotiated before March 31, 2012, the expiration date of the 2009 Commercials Contract. **As reflected in the GRP and Clearinghouse Letter Agreement, dated January 29, 2013, the parties agree that during the 2013 to 2016 term of this Contract, they shall conduct the Clearinghouse Project and the analysis of the adoption of the GRP-E compensation model as reflected in that letter. In addition, over the 2013 to 2016 term of this Contract, the parties agree to update the Internet and New Media Model Study to reflect industry and technological changes. Should the parties, upon the conclusion of that update, identify alternative payment structures for the Internet and/or New Media that they believe to be feasible, they may direct the consultant to more fully develop that alternative so that the parties may consider it at a future negotiation. The parties agree to recommend to the IACF and the AICF trustees that the IACF and AICF fund the updated Study as well as costs related to any**

further developments as a result of the study. The parties shall proceed on these studies on the basis of mutual cooperation and agreement.

42. Amend Section 68, Title as follows: This Contract shall be known as the SAG-AFTRA 2009**13** COMMERCIALS CONTRACT.

43. Amend ¶ 1 of Section I.H. of Schedule A – Working Conditions – Principal Performers as follows:

Allowable meal periods shall not be counted as work time for any purpose. The principal performer's first meal periods shall commence within 6 hours following the time of his/her first call for the day; succeeding meal periods of the same principal performer shall commence within 6 hours after the end of the preceding meal period. A meal period shall not be less than ½-hour nor more than one hour in length. If, upon the expiration of such 6-hour period, the camera is in the actual course of photography, it shall not be a violation to complete such photograph. If on location or while traveling to or from location, the delay is not due to any fault or negligence of Producer or its agents or persons employed by it to render the catering service by contract, or if delay is caused by common carriers such as railroads, there shall be no liquidated damages for violations of the above provisions. **In addition, there shall be no liquidated damages for violations of the above provisions that occur during unsupervised travel by the principal performer.** If the caterer is chosen carefully, and is delayed in reaching the location beyond the required time for commencing a meal period, there shall be no liquidated damages for the violation, but if such delay shall continue beyond the ½-hour, work shall cease, and the time intervening between such cessation of work and the meal period shall be work time. If on location and after commencement of work time, the company is given a reasonably breakfast without deducting the time spent in eating breakfast from work time, then the first meal period may be 6 hours after such breakfast.

44. Add new subsection (r) to Section I.I.1. of Schedule A – Working Conditions – Principal Performers as follows:

(r) If during an audition performers are required to perform a stunt, Producer will ensure that a stunt coordinator is present. If a performer is asked by Producer to, and performer does, perform a stunt during an audition, such stunt audition services by performer shall not be citable in determining whether the performer has performed a stunt during the production. Such determination shall be based solely on the services performer provides for the actual commercial production.

45. Add new subsection (d) to Section I.I.2. of Schedule A – Working Conditions – Principal Performers as follows:

(d) User-generated/crowdsourced commercial contest entries solicited, accepted and displayed by Producer during the contest period via Internet and/or New Media under Sections 36.B.7 or 37.B.7 shall not trigger any application of this Contract including, without limitation, Ad Lib or Creative Session Call fees.

46. Amend the per diem rates set forth in Section I.X.10. of Schedule A – Working Conditions – Principal Performers as follows:

Breakfast ~~\$10.95~~ **\$15.00**

Lunch ~~\$16.40~~ **\$25.00**

Dinner ~~\$30.25~~ **\$40.00**

47. Amend the per diem rates set forth in sub¶ 3 of Section .I.Y.3 of Schedule A – Working Conditions – Principal Performers as follows:

When the principal performer is required to travel, he/she will be provided first-class transportation and reasonable expenses. A per diem of ~~\$71.70~~ **\$80.00** depending on the circumstances, shall be deemed reasonable.

48. Amend Section 2.A. of Schedule C - Spanish Language Commercials to increase all rates by ten percent (10%) in addition to general wage increase.

49. Amend Section 2.B. of Schedule C - Spanish Language Commercials to increase all rates by five percent (5%) in addition to general wage increase, and to add Puerto Rico with a unit weight of 17.

50. Amend Section 3 of Schedule C – Spanish Language Commercials as follows:

If Producer wishes to acquire the right to exhibit Spanish language commercials in any South American or Central American country or Mexico (outside of the border states), or any Caribbean country ~~or Puerto Rico~~, the individual principal performer's contract shall contain a provision granting such right for each one-year period of such use at additional compensation to the principal performer as follows:

- A. For use in South America and/or Central America and/or Mexico (outside of the border states): 4 session fees;
- B. For use in the Caribbean **(excluding Puerto Rico)** ~~and/or Puerto Rico~~: 3 session fees;
- C. For use in any country covered by subsection A. and any country covered by subsection B.: 4 session fees.

D. The applicable amounts payable for the use described in this Section 3 shall be due and payable upon the first use of a commercial in each of the above-mentioned areas. Such payment shall cover all such uses within the one-year period of use.

51. Amend Section II.5.B(a) of Schedule D – Extra Performers as follows:

If the extra performer is notified at the time of hire that he/she is to be paid on the basis of a 13-week cycle of use, he/she shall be paid not less than the initial 13-week use rate applicable to the extra performer's classification as provided in Section 6.A. **of this Schedule D. The initial 13-week use cycle commences on the first air date of the commercial.**

52. Amend Section II.6.E. of Schedule D – Extra Performers-Internet as follows:

(d) Section 36.B.7 (User-Generated/Crowdsourced Commercial Contests) shall also apply to extras.

53. Amend Section II.6.F. of Schedule D – Extra Performers-New Media as follows:

(d) Section 37.B.7. (User-Generated/Crowdsourced Commercial Contests) shall also apply to extras.

54. Add a new Section II.8.H to Schedule D – Extra Performers as follows and re-letter the remaining subsections:

H. Upgrade to Principal Performer

See Section 6, Persons Covered –Principal Performers.

55. Amend ¶ 1 of Section II.11.A. of Schedule D – Extra Performers as follows:

In the event Producer fails to make timely payment as provided in Section 10, Payment Requirement, the following cumulative liquidated damage payments shall be due and payable to the extra performer for each day beginning with the day following the date of default: ~~\$2.50~~**\$3.60** per day for up to ~~30~~**25** days (excluding Saturdays, Sundays and holidays which Producer observes) up to a maximum of ~~\$75.00~~ **\$90.00**. Thereafter, the liquidated damages payment shall cease unless either the Union or the principal performer gives written notice to Producer of nonpayment. In the event such notice is given and full payment, including accrued liquidated damages, is not made within 12 working days thereafter, the Producer shall be liable for an immediate additional liquidated damages payment of ~~\$75.00~~ **\$90.00** plus further liquidated damage payments at the rate of \$10.00 per day from the date of the receipt of notice of nonpayment, which shall continue without limitation as to time until the delinquent payment together with all liquidated damages are fully paid. Such liquidated damages shall be in addition to any and all other remedies which the Union may have against Producer under this Contract.

56. Add new subsection C. Section II.11 of Schedule D – Extra Performers as follows:

C. The liquidated damage payments set forth in subsection A. shall increase by the same percentage as any agreed upon wage increase applicable to Section 20, Minimum Compensation in future negotiations.

57. Add the following sentence to the end of Section II.13.B. of Schedule D – Extra Performers:

Performer shall provide the name of his/her agent on the Exhibit A-2. Performer shall only be entitled to receive the agent's commission in his/her gross compensation if in fact performer is represented by an agent and such agent procured the employment.

58. Amend Exhibit A-1 Standard Employment Contract as follows:

A. Add a field for Ad-ID®.

B. Add an itemized list of work as follows:

Number of Tags: _____

Number of Demos: _____

Number of Commercials: _____

59. Amend Exhibit A-2 Standard Employment Contract for Extra Performers as follows:

A. Add a field for Ad-ID®.

B. Add a section to indicate agency representation when performer payment goes directly to performer, for example:

☐ This job was booked through talent agency: _____

60. Amend Exhibit E Commercial Audition Report as follows:

Add the following language: **Completion of the required information is necessary for performers to receive the following audition-related payments: 1) overtime, 2) third and subsequent auditions for principals, and/or 3) audition/interview payments for extras.**

61. Amend Exhibit K PSA Waiver Agreement as follows:

DATE

Signatory Company
Company Address
City, State Zip

To Whom it May Concern:

In response to your request, SAG-**AFTRA** agrees to grant a Public Service Announcement (“PSA”) waiver on media covered under the SAG-**AFTRA** Television Commercials Contract for a one-year period of use, subject to performers’ consent, **subject to the terms and conditions set forth in Section 18 of the SAG-AFTRA Commercials Contract** and the following conditions:

1. Performer(s) must be notified at the time of audition or engagement that SAG-**AFTRA** has granted a waiver and that the applicable PSA rate allows for unlimited use not to exceed one year beginning not later than 15 working days after the first delivery of the PSA to any covered media or 13 weeks after commencement of the maximum use period, whichever occurs first.
 2. All Performer(s) must be compensated at not less than the applicable minimum fee(s) pursuant to Section 20 of the 2013 SAG-**AFTRA** Commercials Contract. SAG Pension & Health contributions are payable on the gross compensation paid to performer.
 3. All media time must be donated. Should the PSA be utilized on purchased time, full use and reuse fees must be paid to the performer(s) in accordance with the applicable provisions of the SAG-**AFTRA** Commercials Contract, beginning with the first use on purchased media time, subject to Section 30, “Maximum Period of Use of Commercials.”
 4. **Producer shall be permitted to display advertiser logos/IDs on the non-profit’s website (including on the landing page). Producer shall obtain performer consent to the presence of advertiser logos/IDs on the landing page at the time of engagement.**
 5. PSAs may not contain solicitations for donations unless specifically approved by SAG-**AFTRA**.
 6. Should Producer wish to utilize the PSA(s) beyond the initial one-year period, Producer shall obtain written consent from SAG-**AFTRA** and the principal performer(s) for such extended use. Any individual performer shall have the right to negotiate for compensation for such extended use.
62. Amend/delete the Sideletters as follows and renumber the remaining Sideletters:
- A. Sideletter 1 (PSAs): Remove. Substance of Sideletter added to Section 18, Public Service Announcements/Government Agency Messages.

- B. Sideletter 2 (Multiplexing): Update date in drafting, and change “shall” to “may.” Renumber as Sideletter 1.
- C. Sideletters 3 (Diversity/Casting Stunt Doubles): No change. Renumber as Sideletter 2.
- D. Sideletters 4 and 5 (Diversity): Remove. The parties agree to have a single meeting covering diversity issues during the term of the 2013 SAG-AFTRA Commercials Contract.
- E. Sideletter 6 (Ad Council Waiver): Remove. Substance of Sideletter added to Section 18, Public Service Announcements/Government Agency Messages.
- F. Sideletter 7 (Arbitration Decisions): Remove. Substance of Sideletter added to Section 58, Arbitration.
- G. Sideletter 8 (Spanish): No change. Renumber as Sideletter 3.
- H. Sideletter 9 (GRP): Remove and replace with the Clearinghouse Sideletter and renumber as Sideletter 4.
- I. Sideletter 10 (Internet/New Media Study): No change. Renumber as Sideletter 5.
- J. Sideletter 11 (Monitoring): No change. Renumber as Sideletter 6.
- K. Sideletter 12 (Deceased Performers): Remove. Substance of Sideletter added to Section 47, Pension and Health.
- L. Add a new Sideletter 7 as follows:

**Sideletter re: Experimental Coverage Waiver for
Made for Internet and Made for New Media Commercials**

Dear Mr. Wood,

This letter will confirm the Union’s agreement to an experimental waiver regarding coverage of persons in Made for Internet and Made for New Media commercials. This waiver shall expire on March 31, 2016 and shall not be citable or precedential in future negotiations or in the interpretation of any other provision of the Contract.

This waiver will not apply with respect to those persons who are cast and/or who are scripted for the commercial(s).

A Producer of a Made for Internet or Made for New Media commercial(s) may film or record activities of persons in public without covering such persons under the Contract, provided such persons are neither scripted to speak any dialogue nor cast for the commercial(s).

Notwithstanding the foregoing, this waiver is limited to the following:

- a. Live Events – “Live Events” are events attended by at least 20 persons who are neither hired nor cast by Producer to attend the event. However, such Live Events (1) shall not be staged for the purpose of producing a commercial(s); and (2) non-covered participants at the live event may not receive individual direction but may be directed as a group.
- b. Man on the Street Commercial – A “Man on the Street Commercial” means a commercial(s) where an interviewer interviews people on the street, at public venues, or at live events and asks them questions or makes statements or gestures to elicit a response or reaction from them. The interviewer is a Covered Person for purposes of the Contract whether or not they appear or perform in the commercial(s).
- c. Hidden Camera Commercials – A “Hidden Camera Commercial” means a commercial(s) comprised of footage captured by a hidden camera(s) without direction to the individual(s) being filmed. An individual(s) appearing in such footage shall not be a Covered Person(s) for purposes of the Contract. Any person(s) appearing in the capacity of an interviewer, however, shall be a Covered Person whether or not they appear in the commercial.

As a material condition of this waiver, Producer shall notify the Union that it has applied the waiver and provide the Union with an electronic or physical copy of the commercial(s) within 60 days of the first exhibition of the commercial.

If a commercial produced pursuant to this waiver is subsequently exhibited other than on the Internet or New Media where such use is otherwise covered by the Contract, anyone qualifying as a principal in the commercial as subsequently exhibited shall be a Covered Person under the Contract and compensated accordingly.

Very truly yours,

ACCEPTED AND AGREED:

SAG-AFTRA

Douglas J. Wood
ANA-4A’s Joint Policy Committee
on Broadcast Talent Union Relations

David P. White
National Executive Director

M. Add a new Sideletter 7 as follows:

Sideletter re: Section 26.K. Waiver

Dear Mr. Wood,

This letter will confirm the Union's agreement to an editing waiver for multi-brand retailers under Section 26.K. Special Offers and Promotions. This waiver shall expire on March 31, 2016 and shall not be citable or precedential in future negotiations.

This waiver covers advertisers that sell consumer products directly to the public (e.g., supermarkets, toy stores, department stores, discount retailers) but excludes advertisers that predominantly or exclusively sell their own products (e.g., fast food restaurants and single-brand retailers).

This waiver allows a Producer to edit a commercial to reference new products, whether branded or not, subject to the following terms and conditions:

1. Performers making the changes shall be paid separate session fees for each change;
2. Principal performers not required to render actual services for such additional variations will be paid a session fee for the first variation (i.e., the 2nd commercial) and 150% of a scale session fee for every 4 additional variations (e.g., 150% of a scale session fee for the 3rd, 4th, 5th and 6th commercial and another payment of 150% of a scale session fee for the 7th, 8th, 9th and 10th commercial).
3. The variations are limited to product/item changes advertised within the retailer and shall be considered one commercial for use purposes;
4. Only one variation may run in the same market at the same time and is subject to a 2-week promotional limitation;
5. Performers must be fully advised of the terms of this waiver both at the time of audition and hire. In the event that a performer notifies the Union that he/she was not fully informed, this waiver shall not be applicable to that employment. With respect to the time of hire, such notice may be made in the Special Provisions section of the applicable employment contract.

Very truly yours,

ACCEPTED AND AGREED:

SAG-AFTRA

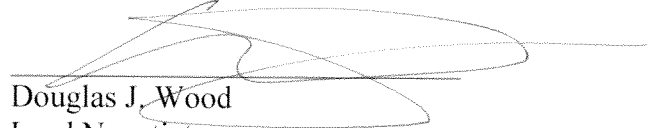
Douglas J. Wood
ANA-4A's Joint Policy Committee
on Broadcast Talent Union Relations

David P. White
National Executive Director

63. All wages subject to Pension and Health contributions shall be increased 6% as reflected in the rate sheet to be prepared by the parties.
64. For services performed in commercials made between April 1, 2013 and June 22, 2013, all retroactive payments must be made not later than 30 days following ratification by the Union.
65. The new working conditions and all other non-economic provisions shall be effective not later than 30 days following ratification by the Union.

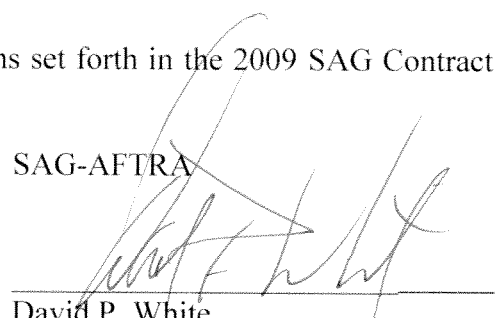
Except as modified herein, the terms and conditions set forth in the 2009 SAG Contract remain unchanged.

ANA-4A's Joint Policy Committee
on Broadcast Talent Union Relations


Douglas J. Wood
Lead Negotiator

Date: April 5, 2013

SAG-AFTRA


David P. White
National Executive Director

Date: 4/5/13

